



FRANCHISING*
Building local businesses,
one opportunity at a time.

September 30, 2015

The Honorable Wayne Schmidt, Chairman
P.O. Box 30036
Lansing, MI 48909-7536

RE: SUPPORT SB 492 & 492

Dear Chairman Schmidt and Members of the Senate Commerce Committee:

On behalf of the International Franchise Association (IFA), which represents both franchisees and franchisors, I wish to express our strong support of Senate Bills 492 & B 493, which will clarify the relationship between franchisees and franchisors. Similar bills have been examined, passed and signed into law in Texas, Tennessee and Louisiana thus far in 2015.

Franchising is responsible for approximately 260,600 Michigan jobs and over \$21 billion in annual economic impact.

Passage of Senate Bills 492 & 493 will allow franchising to continue to grow in Michigan.

Thank you.

Jeff Hanscom

Jeff Hanscom

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MICHIGAN

International Franchise Association

Fast Facts



IFA®

INTERNATIONAL FRANCHISE ASSOCIATION

FRANCHISING®

Building local businesses,
one opportunity at a time.

Franchise Brand

*Behind many familiar
logos and brands...*

Small Business Owners

*... are independently-owned
local businesses*

Local Economy

The Franchise Business Model:

- Has created tens of thousands of American small business owners and millions of opportunities for American workers. For many entrepreneurs, franchising offers the "best of both worlds."
- Allows business owners to gain from affiliating with an established brand and the proven processes that made it a success. At the same time, it allows them to maximize both return on their investments and control over their employees and wages.
- Is under attack at the federal level and at the state and local levels as well. A recent National Labor Relations Board ruling could destroy this time-tested business model and undermine decades of regulatory, legal and legislative precedents.

MICHIGAN BY THE NUMBERS

24,458 Locations

Number of franchise establishments in the state

260,600 Jobs

Number of people employed
by franchised businesses

\$22 Billion Economic Output

Direct amount of money put into
the economy by franchised businesses

Examples of Michigan-based franchisors

DUCTZ
Molly Maid
Two Men and a Truck
Little Caesars

Source: Economic Impact Study based on 2007 U.S. Census

U.S. Franchise Facts

- Locally owned franchises are America's hidden small businesses, with 780,000 establishments across the country.
- Franchising directly contributes \$890 billion in economic output, accounting for roughly 3% of private sector U.S. GDP.
- Franchising is a job-creating mechanism that not only offers opportunities to entrepreneurs but also supports more than 8.9 million direct jobs nationwide.

January 2015 forecast, IHS Economics

Franchise Businesses: Good for America and Good for Local Communities

The International Franchise Association is the world's oldest and largest organization representing franchising worldwide. Celebrating 50 years of excellence, education and advocacy, IFA works to protect, enhance and promote franchising through its government relations and public policy, media relations and educational programs.

International Franchise Association

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